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From:

Sent: Wednesday, October 06, 2010 1:17:55 PM

To:

Cc:

Subject: RE: Section 6707A

As long as the partnership had an obligation to disclose a listed or reportable transaction under section 6011 and the regulations, it is liable for the 6707A for failing to so disclose. You are correct that because a partnership is not a taxpaying entity there is no decrease in tax on which to compute the penalty. Instead, the penalty will be the maximum penalty permitted by the new law.